



# JOINT ECONOMIC COMMITTEE DEMOCRATS



REPRESENTATIVE PETE STARK (D-CA) – SENIOR DEMOCRAT

ECONOMIC POLICY BRIEF

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## THE NUMBER OF AMERICANS WITHOUT HEALTH INSURANCE ROSE FOR THE THIRD STRAIGHT YEAR IN 2003

New estimates by the Census Bureau show that 45.0 million Americans were without health insurance in 2003, a 1.4 million increase from the prior year. Millions more spent part of the year uninsured. Since 2000, the number of uninsured has risen by 5.2 million.

The percentage of Americans with employer-sponsored health insurance dropped to 60.4 percent in 2003, the third straight year employer coverage has declined. Once again this year, increased enrollment in public programs such as Medicaid and SCHIP prevented an even larger increase in the number of uninsured.

The decline in health insurance coverage in several states was particularly severe. Indiana, Missouri, Rhode Island, and North Carolina saw the largest change since 1999-2000 in the fraction of the population without health insurance coverage. The coverage rate fell by 3 percent or more in those states.

### Key findings:

- **The number of uninsured Americans rose to 45.0 million in 2003 – 1.4 million more than in the previous year (Chart 1).** More Americans are now without health insurance than in any year with reported data, which go back to 1987. The total number of uninsured Americans has increased by 5.2 million since 2000.
- **The percentage of Americans without health insurance increased to 15.6 percent in 2003, up from 15.2 percent in 2002.** In

2000, 14.2 percent of Americans were without health insurance.

- **The percentage of Americans with employer-sponsored health insurance fell to 60.4 percent, down from 61.3 percent in 2002 (Chart 2).** Employer-based coverage, the largest component of the U.S. health insurance system, has continued to erode during the Bush Administration. The total number of Americans with employer-sponsored coverage has fallen by 3.8 million since 2000, leaving many on their own in the individual health insurance market, where premiums are often prohibitively expensive and unstable.
- **The percentage of uninsured Americans increased at all household income levels under \$75,000.** Most American households cannot fully escape the danger of losing their health insurance. For households with incomes of less than \$25,000, the uninsured rate rose 0.7 percentage points to 24.2 percent. The uninsured rate for households with incomes of between \$50,000 and \$75,000 also increased by 0.8 percentage points to 12.5 percent.
- **The number of uninsured non-elderly adults has increased significantly since 2000 (Chart 3).** The number of uninsured non-elderly adults increased from 30.9 million in 2000 to 36.3 million in 2003. At the same time, the number of children without health insurance was 8.4 million in 2003, down slightly

from 8.6 million in 2000. Increased enrollment in the State Children's Health Insurance Program (SCHIP) and Medicaid has reduced the number of low-income children without health insurance, offsetting the loss of coverage for other children.

- **2.4 million more Americans were enrolled in Medicaid in 2003.** The Medicaid enrollment rate rose from 11.6 percent in 2002 to 12.4 percent in 2003. Without these additions to Medicaid, more Americans would be without health coverage.

### Health insurance coverage by state

Following Census guidance on how to use state level data, this report compares the two-year average for 1999-2000, representing the last years of the Clinton Administration, with the two-year average for 2002-2003 to analyze changes in health insurance during the Bush Administration.

- During the Bush Administration, 29 states have experienced a statistically significant increase in the number of uninsured individuals while one state experienced a statistically significant decline (**Table 1**). The largest increase occurred in Texas, which saw an 814,000 person increase between 1999-2000 and 2002-2003. New Mexico is the only state to show a statistically significant reduction in the number of uninsured (43,000).

- 22 states also showed a statistically significant increase in the percentage of uninsured (**Table 2**). States with the largest percentage increase include Indiana, Missouri, Rhode Island, North Carolina, and Pennsylvania.

- While Medicaid and SCHIP provide a vital safety net by preventing larger increases in the uninsured nationwide, some states with large increases in the uninsured may have difficulty financing Medicaid expansions, especially with state Medicaid fiscal relief ending in 2004. This could cause additional increases in the number of uninsured in these states.

### Outlook

These trends in health insurance coverage may well continue in 2004. The Bush Administration has failed to provide a plan that will increase coverage for more than a small fraction of Americans. The Administration's recycled proposal for tax credits to purchase insurance on the open market would increase net coverage by fewer than 2 million people, according to an independent analysis by economist Jonathan Gruber of the Massachusetts Institute of Technology.

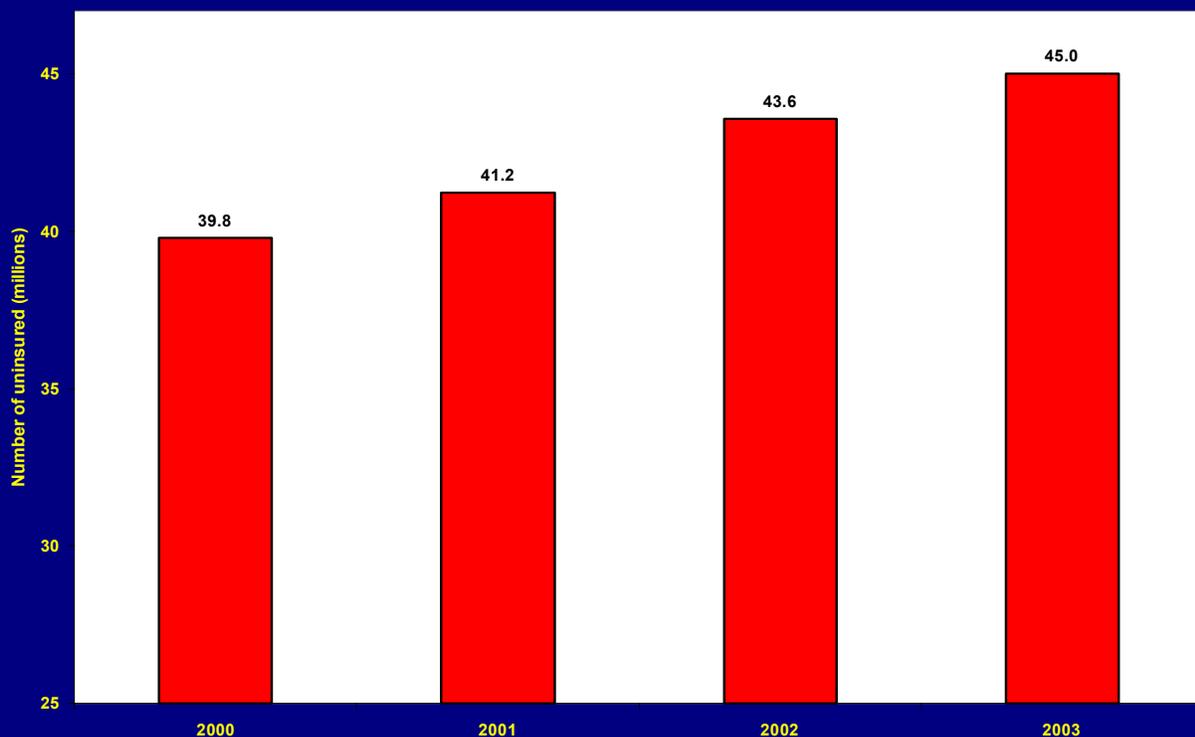
Note: The state-by-state tables and corresponding text were edited on September 7, 2004 to reflect the receipt of more complete Census data on the differences between 1999-2000 uninsured numbers and those for 2002-2003.

#### Using the CPS to Analyze Income and Poverty Trends

The Current Population Survey (CPS) provides the source data for the official estimates of health insurance coverage. Following official guidance from the Census Bureau, this analysis uses CPS data to analyze health insurance trends at both the national and state levels.

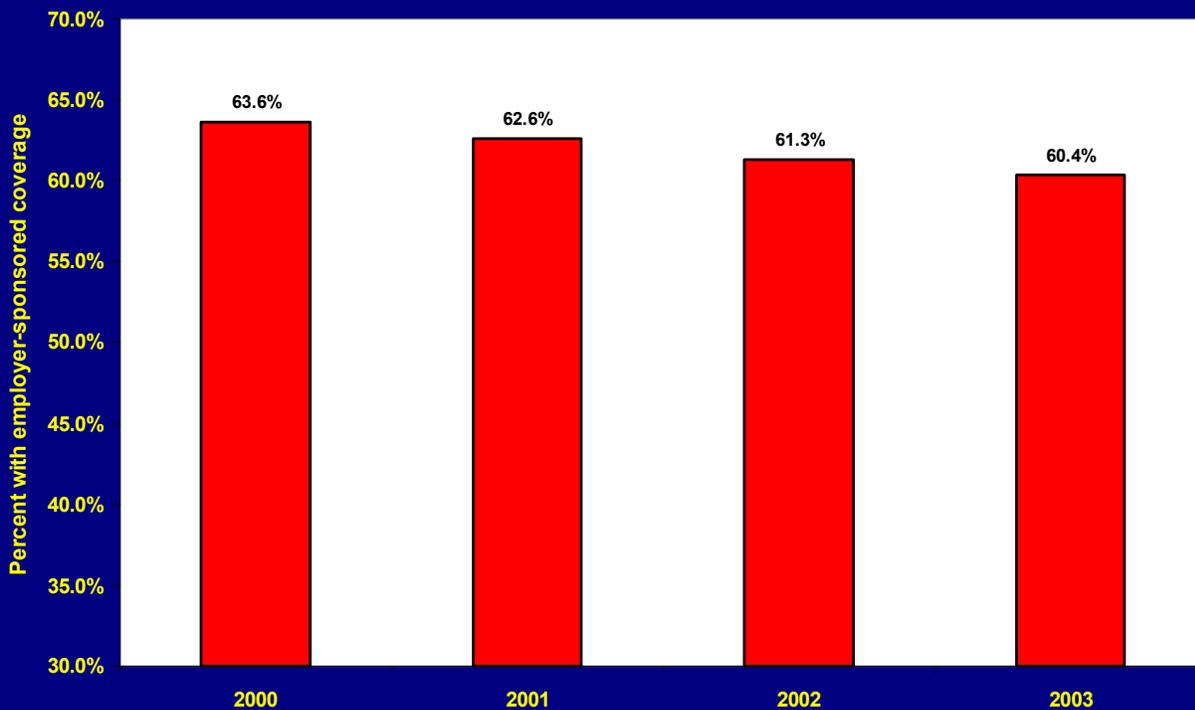
However, because the CPS sample sizes at the state level are small, the Census Bureau typically uses two-year averages to analyze state trends. Using these two-year averages actually mutes the dismal Bush Administration record on the uninsured. In 2000, the last year of the Clinton Administration, the uninsured rate nationally was 14.2 percent. In 2003, the uninsured rate was 15.6 percent, some 1.4 percentage points higher than the 2000 rate. The two-year nationwide average uninsured rate for 2002-2003 (15.4 percent) was 1.0 percentage point higher than the two-year average rate for 1999-2000 (14.4 percent). That difference is somewhat less than the 1.4 percentage point difference between 2000 and 2003.

**Chart 1 - The Number of Uninsured Americans Has Increased by 5.2 Million since 2000**



Source: Bureau of the Census, U.S. Department of Commerce

**Chart 2 - The Percentage of Americans with Employer-Sponsored Health Insurance Has Decreased since 2000**



Source: Bureau of the Census, U.S. Department of Commerce

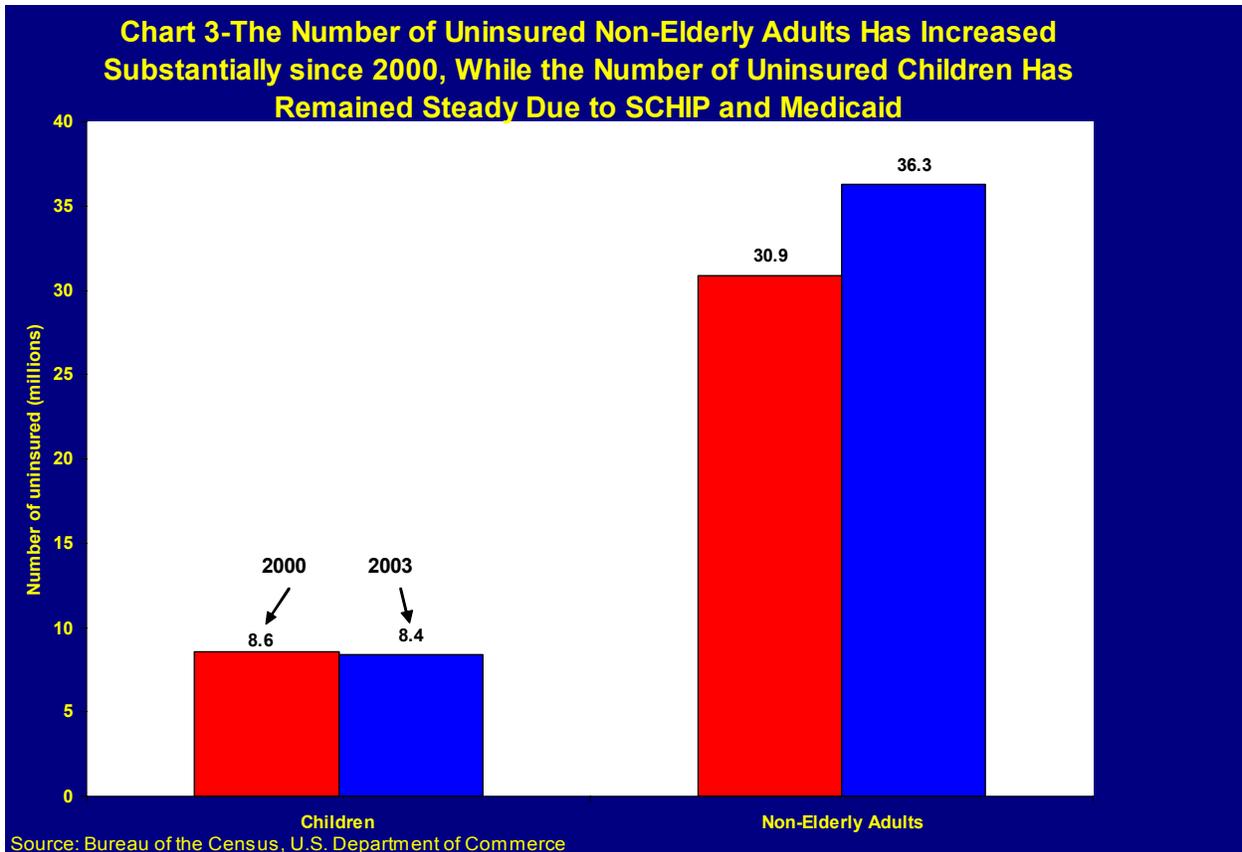


Table 1

**Number of People without Health Insurance Coverage  
for the Entire Year, by State, 1999-2000 and 2002-2003**

State	2-year average (1999-2000)	2-year average (2002-2003)	Change (2002-2003 average less 1999- 2000 average) <sup>1</sup>
	Thousands	Thousands	Thousands
United States	40,016	44,268	4,252 *
Alabama	583	597	14
Alaska	117	121	4
Arizona	957	934	-24
Arkansas	380	453	73 *
California	6,443	6,449	6
Colorado	647	746	100 *
Connecticut	319	357	38
Delaware	75	85	11 *
District of Columbia	78	77	-1
Florida	2,835	2,957	122
Georgia	1,177	1,382	205 *
Hawaii	119	125	6
Idaho	213	243	31 *
Illinois	1,668	1,793	125 *
Indiana	615	825	210 *
Iowa	235	303	68 *
Kansas	299	287	-12
Kentucky	527	561	35
Louisiana	862	866	4
Maine	137	139	2
Maryland	556	746	190 *
Massachusetts	567	663	97 *
Michigan	964	1,119	156 *
Minnesota	380	421	41
Mississippi	406	488	82 *
Missouri	449	633	184 *
Montana	155	158	4
Nebraska	162	185	23 *
Nevada	363	422	60 *
New Hampshire	109	128	19 *
New Jersey	1,010	1,199	189 *
New Mexico	444	401	-43 *
New York	2,994	2,954	-40
North Carolina	1,106	1,396	290 *
North Dakota	72	69	-3
Ohio	1,196	1,353	157 *
Oklahoma	592	651	60 *
Oregon	457	562	106 *
Pennsylvania	1,018	1,382	364 *
Rhode Island	72	106	35 *
South Carolina	537	542	6
South Dakota	79	88	9 *
Tennessee	594	696	102 *
Texas	4,651	5,465	814 *
Utah	289	304	15
Vermont	59	62	3
Virginia	856	962	106 *
Washington	793	897	104 *
West Virginia	258	276	18
Wisconsin	479	566	87 *
Wyoming	75	82	7

\*Statistically different from zero at the 90-percent confidence level.

<sup>1</sup>Details may not sum to totals because of rounding

Source: U.S. Census Bureau

Table 2			
Percent of People without Health Insurance Coverage for the Entire Year, by State, 1999-2000 and 2002-2003			
State	2-year average (1999-2000)	2-year average (2002-2003)	Change (2002-2003 average less 1999-2000 average) <sup>1</sup>
	Percent	Percent	Percentage points
United States	14.4	15.4	1.0 *
Alabama	13.3	13.5	0.2
Alaska	18.6	18.8	0.2
Arizona	18.6	16.9	-1.7 *
Arkansas	14.4	16.9	2.5 *
California	19.0	18.3	-0.7 *
Colorado	14.9	16.7	1.7 *
Connecticut	9.4	10.5	1.1 *
Delaware	9.6	10.5	0.9
District of Columbia	14.1	13.6	-0.5
Florida	17.9	17.7	-0.2
Georgia	14.7	16.3	1.6 *
Hawaii	9.8	10.1	0.3
Idaho	16.8	18.3	1.5
Illinois	13.6	14.3	0.7
Indiana	10.3	13.5	3.2 *
Iowa	8.2	10.4	2.2 *
Kansas	11.4	10.7	-0.7
Kentucky	13.4	13.8	0.4
Louisiana	19.9	19.5	-0.4
Maine	10.8	10.9	0.0
Maryland	10.8	13.6	2.8 *
Massachusetts	9.0	10.3	1.3 *
Michigan	9.7	11.3	1.6 *
Minnesota	7.8	8.3	0.5
Mississippi	14.6	17.3	2.7 *
Missouri	8.1	11.3	3.2 *
Montana	17.3	17.3	0.0
Nebraska	9.6	10.8	1.1
Nevada	17.7	19.3	1.6 *
New Hampshire	8.7	10.1	1.4 *
New Jersey	12.1	14.0	1.8 *
New Mexico	24.4	21.6	-2.8 *
New York	15.9	15.4	-0.5
North Carolina	14.0	17.0	3.0 *
North Dakota	11.5	10.9	-0.6
Ohio	10.7	12.0	1.3 *
Oklahoma	17.7	18.8	1.2
Oregon	13.3	15.9	2.5 *
Pennsylvania	8.5	11.4	2.9 *
Rhode Island	6.9	10.1	3.1 *
South Carolina	13.8	13.4	-0.4
South Dakota	10.9	11.8	0.9
Tennessee	10.6	12.0	1.4 *
Texas	22.7	25.2	2.5 *
Utah	13.0	13.0	0.0
Vermont	9.8	10.1	0.3
Virginia	12.4	13.3	0.9
Washington	13.7	14.8	1.1
West Virginia	14.7	15.6	0.9
Wisconsin	8.9	10.4	1.5 *
Wyoming	15.4	16.8	1.4

\*Statistically different from zero at the 90-percent confidence level.

<sup>1</sup>Details may not sum to totals because of rounding

Source: U.S. Census Bureau